

"May God bless me and you and every soul that has a knowledge of the divinity of this work, to so live it that our lives will proclaim it to all those with whom we come in contact, is my humble prayer, and I ask it in all humility in the name of the Lord Jesus Christ, our Redeemer and Savior. Amen."

PRESIDENT J. REUBEN CLARK, JR.

First Counselor in the First Presidency

President Grant: We are deeply grateful and profoundly touched by your message. We need you, and love you, and we admire your courage. God grant you many years of health and strength to serve Him.

PRESIDENT DAVID O. McKAY

Second Counselor in the First Presidency

We have just listened to one of the most memorable testimonies, and one of the most impressive, ever given in this historic building. God bless President Grant.

President McKay then read the following *Annual Report*:

FINANCIAL STATEMENT

**THE EXPENDITURES BY THE CHURCH FOR THE YEAR
1940**

Stake and Ward Purposes:

For the erection of meeting houses and for Ward and Stake maintenance expenses\$1,627,921.15

Missionary Work:

For the maintenance and operation of Missions, and for the erection of places of worship and other buildings in the Missions\$ 628,338.03

Education:

Expended for the maintenance of the Church school system\$ 924,495.95

Temples:

Expended for the maintenance and operation of Temples....\$ 352,423.60

Hospitals:

Expended for the erection and maintenance of hospital buildings (included in Church Welfare Program)\$ 10,665.15

Relief Assistance:

For direct aid in the care of the worthy poor and other chari-

table purposes, including hospital treatment. (From tithing funds only. Included in Church Welfare Program)	\$ 594,917.00
Total	\$4,138,760.86
which has been taken from the tithes and other Church funds and returned by the Trustee-in-Trust to the Saints for the maintenance and operation of the Stakes and Wards, Mission activities, for the maintenance and operation of Church schools, and Temples, for hospital buildings and relief assistance.	

CHURCH WELFARE PROGRAM

Church membership, Stakes and Missions	862,664
Number of Church members who paid voluntary Fast Offerings and Welfare contributions to help the needy:	
In Wards	149,397
In Missions	16,520
Total	165,917
Amount of voluntary Fast Offerings and Welfare contributions:	
In Wards	
Fast Offerings	\$ 415,550.40
Welfare contributions received for by Bishops....	74,383.52
In Missions:	
Fast Offerings	22,988.21
Total (all expended for relief)	\$ 512,922.13
Disbursed to the needy by the Relief Society for direct assistance in their homes and for general welfare purposes, such as surgical appliances and preventive and corrective health work	\$ 95,249.10
For carrying on the general, welfare, and educational program of the Relief Society	310,159.70
Expended from the tithes for general and local relief	379,158.39
Expended directly by the Church Welfare Committee	215,758.61
Expended for hospital care of the sick in addition to the amount reported disbursed from tithes	84,089.76
Total	\$1,597,337.69

137,166 persons received assistance during the year, which is an average of 11,431 per month.

In addition to the foregoing, the following supplies had been assembled and were on hand December 31, 1940, and are available for the needy during the year 1941.

CLOTHING, BEDDING AND MISCELLANEOUS

Men's clothing, pieces	4,670	\$ 3,005.33	
Women's clothing, pieces	8,660	3,906.20	
Children's clothing, pieces	6,520	3,730.08	
Quilts, bedding and miscellaneous	14,675	7,613.20	
Total	34,525		\$ 18,254.81

CANNED AND DRIED FRUITS AND VEGETABLES

Fruits and vegetables, cans	1,008,751	\$106,477.41	
Fruits and vegetables, bottles	22,585	2,991.65	
Dried fruits and vegetables, lbs....	38,335	2,092.71	
Miscellaneous canned goods	25,213	4,314.34	
Miscellaneous foodstuff		6,252.62	
Total			\$ 122,128.73

OTHER PRODUCE

Flour, pounds	203,529	\$ 4,727.10	
Potatoes, pounds	933,598	6,975.82	
Grain, pounds	328,735	3,360.90	
Other vegetables, pounds	190,499	2,060.26	
Meat, pounds	30,773	4,471.63	
Total	1,687,134		\$ 21,595.71

FUEL, LUMBER AND MISCELLANEOUS

Coal, pounds	618,958	\$ 1,358.17	
Wood, cords	372	1,393.50	
Lumber, board feet	268,892	5,121.93	
Total			\$ 7,873.60
Total valuation, December 31, 1940.....			\$ 169,852.85

Stake and regional storehouses disbursed in 1940, \$289,952.72 of merchandise produced by the Welfare program.

The extent to which the Welfare program is meeting the requirements of the Bishops in caring for the needy is indicated by the following percentages:

Food:	Percent
Program produced	61
Cash purchases	39

Friday, April 4

First Day

Clothing:

Program produced	45
Cash purchases	55

Fuel:

Program produced	79
Cash purchases	21

Other commodities:

Program produced	25
Cash purchases	75

The Church owns three grain elevators, located at Salt Lake City and Sharp, Utah, and McCammon, Idaho, representing an investment of \$164,437.14. 222,316 bushels of wheat are now stored in these elevators.

FAST OFFERING INFORMATION

Average Fast Offerings and Welfare contributions per capita in wards\$ 0.85

Regions that exceed \$1.00 per capita:

Arizona	\$1.15
Southern California	1.10
Salt Lake	1.04

Stakes with the highest per capita:

San Juan	\$1.73
Long Beach	1.58
Bonneville	1.57
Malad	1.53

45 Stakes paid \$1.00 or more per capita.

Missions with highest per capita:

Membership less than 1500

Japan	\$1.31
Brazil76
Argentina61

Membership over 1500

California	\$.49
Eastern States40
North Central38

SUMMARY—CHURCH BUILDING PROGRAM

Expended for the erection, improvement and furnishing of:

Ward and Stake buildings	\$ 853,298.70
Mission buildings	158,511.54
Institutes and Seminaries	35,477.85
Religious Center—Brigham Young University	140,000.00
Temple buildings	190,980.37
Grain elevator, Salt Lake City	110,084.17
Roosevelt Hospital	6,319.17

Amount raised locally for building improvements..... 776,737.39

Total\$2,271,409.19

In addition to the foregoing, \$58,883.21 was expended for building improvements and equipment at the Dr. W. H. Groves L. D. S. Hospital, Salt Lake City, and \$54,279.69 at the Thomas D. Dee Hospital, Ogden. \$33,409.19 was paid toward acquiring stake and regional storehouse property and real estate for housing project.

STATISTICS FOR THE YEAR 1940

Number of stakes December 31, 1940: 134 (at present time 137); 1073 wards; 118 independent branches; or a total of 1191 wards and branches in the stakes of Zion; also 35 missions; 1002 mission branches, and 250 districts.

CHURCH MEMBERSHIP

Stakes	703,017
Missions	159,647
Total	862,664

CHURCH GROWTH

Children blessed and entered on the records of the Church in the stakes and missions	21,544
Children baptized in the stakes and missions	14,412
Converts baptized in the stakes and missions	7,877

MISSIONARIES

Number of long-term missionaries from Zion, Dec. 31, 1940....	2,117
Number of short-term missionaries from Zion, Dec. 31, 1940....	31
Number of local missionaries	68
Total number of missionaries in the missions of the Church	2,216
Number engaged in missionary work in the stakes	2,469
Total missionaries	4,685
Number of missionaries who received training in the Missionary Home	1,139

SOCIAL STATISTICS

Birth rate 31.9 per thousand
 Marriage rate 18.4 per thousand
 Death rate 6.5 per thousand

EXPENDED FOR THE MAINTENANCE OF MISSIONARIES

Collected by wards and paid to missionaries\$ 76,387.45

Friday, April 4

First Day

Average cost per missionary, 1940, \$30.12 per month or a total of \$361.44 per year per missionary.	
Average number of missionaries December 31, 1940, 2080, making a total average expense for the year of.....	751,795.20
Estimated possible earnings per missionary \$900.00 per year times 2,080, average number of missionaries, makes an estimated total of what these missionaries might have earned if at home of.....	1,872,000.00
Total estimated contribution of missionaries and their families for preaching the gospel	\$2,700,182.65

You will be interested in the following brief report from President Thomas E. McKay, President of the European Mission, regarding the Missions in Europe:

REPORT OF CONDITIONS IN THE EUROPEAN MISSIONS

It is more than a year now since the 699 American missionaries laboring in the twelve missions classified as European were released to come home or were transferred to missions in America. At the time of the evacuation, capable local brethren were placed in charge, and they are carrying on the work quite successfully. Because of mobilization and war, nearly all of our brethren of military age have been called to the front, and the work is having to be taken care of by the elderly brethren and the sisters.

However, our Sacrament meetings, Sunday Schools, and Relief Societies, and Mutuals to a limited extent, are being held. Because of a shortage of fuel, and blackouts, most of these meetings must be held in the day time, and are combined, or one is held immediately following the other.

In spite of these handicaps, progress is being made. The district and annual conferences are being held. Limited missionary work is being done, especially in the British Mission where the brethren holding the Melchizedek Priesthood are excused from army service. Baptisms are reported from all the missions. Tithing and Fast Offerings are being paid, collections of food and clothing are made quite regularly, and the less fortunate of the members are being well cared for.

The following paragraph, taken from the Norwegian Mission Report, is typical of reports from a number of the missions:

"Many of the Saints have lost all they own—home, property, work. All they have left is the clothes they wear. Many have taken part in the fights, but their lives are spared. These hardest afflicted of the Saints have not lost their faith. They have seen that even if they have lost everything else, God has saved their lives."

Because of the extremely heavy bombings recently in the British Isles the First Presidency were very much relieved, and we are sure you will be, to learn in a letter received today, dated London, March 15, stating among other encouraging news the following:

"The conditions of the British Mission are about the same. All the branches are functioning and we have had no casualties or damage within the last two months."

A previous letter had reported damage to the leased property at 295 Edge Lane, Liverpool, where the *Millennial Star* was published and the bookstore located. These activities are now carried on at our headquarters at 149 Nightingale Lane, London.

Except in Paris, France, the headquarters of all the missions,

including the Czechoslovakian and Palestine-Syrian Missions, are being maintained as usual, and very encouraging reports are being received from all the Acting Mission Presidents. They all say: "Don't worry about us, we are all right—we have the Gospel."

CHANGES IN CHURCH OFFICERS, STAKE, WARD AND BRANCH ORGANIZATIONS SINCE OCTOBER CONFERENCE—1940

Special Appointments:

Frank Evans, former Eastern States Mission President, was appointed Secretary for Finance to the First Presidency, to succeed Arthur Winter, deceased.

New Mission Presidents:

Henry H. Blood appointed to preside over the California Mission to succeed President W. Aird Macdonald.

Elvon W. Orme appointed to preside over the Australian Mission to succeed President James Judd.

New Temple President:

Albert H. Belliston appointed to preside over the Hawaiian Temple, to succeed President Castle H. Murphy.

New Stakes Organized:

The Big Cottonwood Stake was organized by a division of the Cottonwood Stake, and consists of the Cottonwood, Holladay, Mt. Olympus, South Cottonwood and Winder Wards. The Cottonwood Stake is now composed of the Bennion, Grant, Murray First, Murray Second, Murray Third, Taylorsville, Millcreek, and Valley Center Wards.

The Uvada Stake was organized by a division of the Moapa Stake, and consists of the Alamo, Caliente, Panaca, Pioche and Enterprise Wards. The Enterprise ward was taken from the St. George Stake. The Moapa Stake is now composed of the Boulder City, Bunkerville, Las Vegas, Littlefield, Logandale, Mesquite, North Las Vegas and Overton Wards.

The Reno Stake was organized from branches of the California Mission, and consists of the Reno, Winnemucca, Fallon, Susanville, Sparks and Westwood Wards, and the Portola and Carson City Branches.

The San Diego Stake was organized from branches in the California Mission, and consists of the National City, Logan Heights, Hillcrest, North Park and Fairmount Wards, and the LaMesa Branch.

The Southern Arizona Stake was organized from branches in the California Mission, and consists of the Binghampton, Bisbee, Douglas, Pomerene, St. David, Tucson and Whitewater Wards.

Stake Presidents Chosen:

Irvin T. Nelson chosen president of the newly organized Big Cottonwood Stake.

REPORT OF THE CHURCH AUDITING COMMITTEE

Elder Orval W. Adams, at the request of President Clark, read the following report:

President Heber J. Grant and Counselors,
Dear Brethren:

We have examined the Financial report of the Church for the year 1940. The records are complete, accurate and intelligible; the accounting system is adequate and modern; the budget is in balance, and the Church is free from debt.

Sincerely yours,
Orval W. Adams
Albert E. Bowen
H. H. Bennett
George S. Spencer
Church Auditing Committee.

PRESIDENT J. REUBEN CLARK, JR.

First Counselor in the First Presidency

My brethren and sisters, while I stand before you I trust that the Lord will lead me to say something that will be helpful, uplifting, and encouraging.

You have heard the report read by President McKay, and there are certain things I should like to refer to briefly in that connection.

First, let me say that we miss Elder Reed Smoot this morning, a man of valiant, able, and conspicuous service to his nation, and a man who I think has been the greatest single missionary of our time.

You have already heard regarding the Saints in Europe. I may say that since our last Conference we have evacuated the missionaries from the Pacific Isles, Australia, and New Zealand, and have returned them, some to Hawaii, and the rest to the mainland. This evacuation was carried out speedily as was the one from Europe, and without any accident or untoward incident.

BUDGET IN BALANCE

As Brother Orval Adams has told you, the budget is in balance. We have lived within our income; the Church is not in debt. As I have said on a previous occasion we hope and intend, so far as we are able, to keep it this way; first, because we believe that is the way the Church should be run; secondly, because we believe we should set the example in handling your trust funds, you members of the Church; thirdly, because, for what it may be worth, we would like to set an example that might be followed by our own governmental agencies.

During the last year we spent more for stake and ward purposes; education, temples, and relief assistance, than we spent in 1939. We spent less for missionary work, due probably entirely to the withdrawal from foreign fields, and we spent less in hospitals, largely due to the fact that the hospitals are becoming better business institutions, and are maintaining themselves.

As might be expected, and as ought to be, in view of the employment which is now being furnished and has been for some months, there were 18,294 fewer persons receiving relief from the Church in 1940 than in 1939. This load should lessen, but I should like to urge all presidents of stakes, bishops and counselors, the auxiliaries, and the Welfare organizations to remember that the major part of the employment which we now have available is for war purposes and war industries, and when this war is over those industries will cease; those employed in them will be thrown out of work; it will take considerable time for readjustment, and the need for your Welfare program as planned will be greatly intensified.

URGES CARE IN SPENDING

We are trying as best we can to spend your funds, which you have given to the Lord, wisely; we are trying to make no commitments that we cannot meet in the matter of buildings and other activities so numerous in which the Church is engaged. We are trying not unduly to expand our activities. We are being very careful and ask you brethren, (and we rejoice beyond expression to have so many bishops and presidents of stakes here at this Conference, perhaps the greatest number that has ever assembled at any individual Conference of the Church) we are asking you brethren, in making up your building program, to remember that you are on a rising market; that you cannot tell just what your materials are going to cost; therefore we urge you to be careful in the making of your estimates.

In the spending of tithing funds, we are trying to spend them for the welfare of communities rather than for the welfare of particular individuals. The Church is not a banking institution, and while, through our Welfare organization, we are helping individuals, that is done upon the recommendation of the quorum to which the individual belongs, and with their guarantee. If we were to undertake to lend to everybody who needs help there would be no money left for the regular activities of the Church.

We are trying to practice economy, and particularly in our buying, because, I repeat, we are spending funds marked with the highest kind of a trust, and so we urge you brethren, you bishops, you presidents of stakes, in your buying, to get the most that you can for your money. These funds are not given to you to spend to help some particular person in whom you have a special interest, however worthy that person may be, unless he can give you the service for his funds.

We are trying not to build magnificent cathedrals, but serviceable meeting houses, and would like you brethren and sisters to have that in mind when you are planning for the expenditure of funds.

GRATITUDE EXPRESSED FOR GENEROSITY OF SAINTS

Our Fast Offerings, to which Brother McKay alluded, have increased, in the average, (there is only a slight increase over 1939)—the average this year was 83 cents, as he stated, and 82.2 in 1939.

Twenty-eight stakes in 1939 paid more than a dollar; 45 in 1940. But we missed some of the excellent records that were made by stakes in 1939, and the maximum of 1940 was not so great for a stake as it was in 1939.

We have begun and are pushing to completion the Idaho Falls Temple. We have erected a memorial building to Joseph Smith on the Brigham Young University campus. We have been adding Welfare storehouses, and in addition we have been carrying on the regular building of the Church.

I would like to thank the people on behalf of the General Authorities for their generosity, their loyalty, their service in carrying on the temporal affairs of the Church as well as the spiritual affairs. The Lord has in this Church combined the spiritual and the temporal very closely and we therefore have both as a part of our mission, and, I repeat, the First Presidency and the General Authorities of the Church are grateful beyond expression for your services of the past.

PERILS OF TIMES

Now, I have not time to touch on more of those matters, although there are several others that deserve mention, but I want to read something to you to conclude my remarks.

The perils of these times justify some comment. May I be pardoned if I repeat now some things I have said on other occasions.

In September, 1923, eighteen years ago, at a religious service in this Tabernacle, I mentioned certain trends I then saw. They were: a spirit of revolution that threatened the very foundations of government everywhere, indeed the destruction of the existing bodies politic of the world; the unrestricted immigration of aliens who were foreign and in tradition hostile to our systems of government; the enhancement of the power of the Federal Executive; the breaking down of the mutual independence of the three branches of government,—executive, judicial, and legislative; the disappearance of local self government and the assumption of control by the Federal Government of the very details of our lives; the curtailment of our constitutional guarantees under the Bill of Rights; the building of class in our nation and of class conflict and hatred; the spread of Bolshevism, we call it Communism now, working for the overthrow of our government, the doing away with religion, even the overturning of our family relationships.

During the eighteen years passed since then, I have on all opportunities repeated these observations.

I will leave you to make up your own minds how far these trends have become realities.

NO MAN SEES END

No thinking person doubts that our people, our nation, and the world are now passing through one of the great crises of the world's history. We are in the midst of a world-wide revolution, which is wholly alien to our free institutions and is foreign in birth, concept, and directing